

Message Text

UNCLASSIFIED

PAGE 01 STATE 236301

61

ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-06

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-03 SIL-01 OMB-01 DODE-00 PA-02 USIA-15

PRS-01 /068 R

66624

DRAFTED BY: AMOHANIAN

APPROVED BY: EB/OCA/REP: JBRABENS

WARREN W. GLICK, ACT EXECUTIVE VICE PRESIDENT

ARA/MEX: GFALK

SPECIAL CHARGE: XMB

----- 005354

R 260110Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

UNCLAS STATE 236301

E.O. 11652: NA

TAGS: APUB, MX

SUBJECT: PRESS RELEASE ON EXIMBANK CREDITS TO MEXICO

FOLLOWING IS FINAL TEXT, REPEAT FINAL TEXT OF EXPORT-IMPORT
BANK RELEASE ON THE TWO DIRECT CREDITS TOTALLING DOLS
20,098,800 IN FAVOR OF PETROLEOS MEXICANOS. RELEASE IS
SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M.
PAPERS, FRIDAY, NOVEMBER 8, 1974.

QUOTE: EXIMBANK CREDITS TOTALLING DOLS. 20,098,800 SUPPORT DOLS
67 MILLION SALE OF U.S. EQUIPMENT FOR AMMONIA PLANTS IN MEXICO

TO SUPPORT SALES TOTALLING DOLS 66,996,000 FOR U.S. EQUIPMENT
REQUIRED FOR DESIGN AND CONSTRUCTION OF ANHYDROUS AMMONIA PLANTS
IN MEXICO, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 236301

THE UNITED STATES HAS AUTHORIZED TWO DIRECT CREDITS TOTALLING

DOLS 20,098,800 IN FAVOR OF PETROLEOS MEXICANOS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY.

ONE EXIMBANK CREDIT OF DOLS 15,714,000 WILL FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS OF DOLS 52,380,000 FOR DESIGN AND CONSTRUCTION OF TWO 1,500 TONS PER DAY ANHYDROUS AMMONIA PLANTS AT COSOLEACAQUE, STATE OF VERACRUZ. A CREDIT OF DOLS 31,428,000 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 60 PERCENT OF THE U.S. COSTS. THE BALANCE OF 10 PERCENT WILL BE A CASH PAYMENT OF DOLS 5,238,000 BY THE BORROWER. PEMEX, THE GOVERNMENT-OWNED AGENCY FOR PRODUCTION REFINING, AND DISTRIBUTION OF PETROLEUM PRODUCTS IN MEXICO, WILL BUILD THE NEW PLANTS.

THE TWO IDENTICAL PLANTS WILL BE COMPRISED OF THE FOLLOWING MAJOR EQUIPMENT COMPONENTS: DESULFURIZING REACTOR, PRIMARY REFORMER FURNACE, SECONDARY REFORMER REACTOR, HIGH AND LOW TEMPERATURE SHIFT CONVERTORS, CARBON DIOXIDE ABSORBER AND STRIPPER TOWERS; AND AUXILIARY EQUIPMENT CONSISTING OF STORAGE TANKS, HEAT EXCHANGERS, WATER DEMINERALIZERS, PUMPS AND COMPRESSORS, INSTRUMENTS, ELECTRICAL EQUIPMENT AND PIPING. THE M. W. KELLOGG COMPANY OF HOUSTON, TEXAS, WILL CONTRACT FOR THE WORK AND SERVICES.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING MAY 10, 1978.

THE SECOND EXIMBANK CREDIT IS FOR DOLS 4,384,800 AND WILL FINANCE 30 PERCENT OF THE TOTAL U. S. COSTS OF DOLS 14, 616,000. A CREDIT OF DOLS 8,769,600 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL COVER 60 PERCENT OF THE U.S. COSTS, AND PETROLEOS MEXICANOS WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR DOLS 1,461,600.

THE PROJECT IS FOR DESIGN AND CONSTRUCTION OF A 1,000 TONS PER DAY ANHYDROUS AMMONIA PLANT WHICH PEMEX PLANS TO BUILD AT SALAMANCA, STATE OF GUANAJATO. THE M. W. KELLOGG COMPANY OF HOUSTON, TEXAS, WILL BE THE PRIME CONTRACTOR WITH RESPONSIBILITY FOR PROCESS, ENGINEERING, PROCUREMENT, CONSTRUCTION SUPERVISION AND OPERATING ADVISORY SERVICES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 236301

U. S. PURCHASES WILL INCLUDE TWO DESULFURIZING REACTORS, PRIMARY REFORMER FURNACE, SECONDARY REFORMER REACTOR, SHIFT CONVERTER, CARBON DIOXIDE ABSORBER AND STRIPPER TOWERS, METHANATOR, AND AUXILIARY EQUIPMENT CONSISTING OF TANKS, HEAT EXCHANGERS, WATER DEMINERALIZERS, COMPRESSORS, ELECTRICAL EQUIPMENT AND PIPING.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS

BEGINNING AUGUST 10, 1977. EXIMBANK'S CREDITS IN BOTH TRANSACTIONS ARE TO BE REPAYED OUT OF THE LAST 10 INSTALLMENTS OF EACH 20 INSTALLMENTS SCHEDULE, WITH INTEREST AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.45 PERCENT TO 10.7 PERCENT PER ANNUM. UNQUOTE INGERSOLL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE236301
Document Source: CORE
Document Unique ID: 00
Drafter: AMOHANIAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740308-0563
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741013/aaaaakon.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: RMER FURNACE, SECONDARY REFORMER REA, CTOR, HIGH AND LOW
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 25 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 OCT 2002 by ReddocGW>; APPROVED <11 FEB 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDITS TO MEXICO FOLLOWING IS FINAL TEXT, REPEAT FINAL TEXT OF EXPORT-IMPORT
TAGS: APUB, MX
To: MEXICO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005